

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
333 West Wacker Drive, Suite 2100
Chicago, Illinois 60606
(312) 407-0700
John Wm. Butler, Jr. (JB 4711)
John K. Lyons (JL 4951)
Ron E. Meisler (RM 3026)

- and -

SKADDEN, ARPS, SLATE, MEAGHER & FLOM LLP
Four Times Square
New York, New York, 10036
(212) 735-3000
Kayalyn A. Marafioti (KM 9632)
Thomas J. Matz (TM 5986)

Attorneys for Delphi Corporation, et al.,
Debtors and Debtors-in-Possession

Delphi Legal Information Hotline:
Toll Free: (800) 718-5305
International: (248) 813-2698

Delphi Legal Information Website:
<http://www.delphidocket.com>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

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In re	:	Chapter 11
	:	
DELPHI CORPORATION, et al.,	:	Case No. 05-44481 (RDD)
	:	
Debtors.	:	(Jointly Administered)
	:	
-----	X	

DECLARATION OF AI L. BRUNNER IN SUPPORT OF DEBTORS' SUPPLEMENTAL
REPLY WITH RESPECT TO PROOF OF CLAIM 2479
(WORLDWIDE BATTERY COMPANY, LLC)

("BRUNNER DECLARATION – WORLDWIDE BATTERY COMPANY, LLC")

Al L. Brunner declares as follows:

1. Delphi Corporation and certain of its subsidiaries and affiliates are debtors and debtors-in-possession in these chapter 11 cases. I submit this declaration in support of the Debtors' Supplemental Reply With Respect To Proof Of Claim 2479 (WorldWide Battery Company, LLC) (the "Supplemental Reply"). Capitalized terms not otherwise defined in this declaration have the meanings ascribed to them in the Supplemental Reply.

2. I am a Senior Product Manager at Delphi Product & Service Solutions, an operating division of Delphi Automotive Systems LLC, a 100% wholly owned subsidiary of its parent, Delphi Corporation, (which, with certain of its subsidiaries and affiliates, the debtors and debtors-in-possession in the above-captioned cases, are referred to collectively and variously herein as "Delphi" or the "Debtors").

3. Except as otherwise indicated, all facts set forth in this declaration are based upon my personal knowledge, my review of relevant documents, my opinion, and my experience with and knowledge of Delphi's relationship with WorldWide Battery Company, LLC ("WorldWide"). If I were called upon to testify, I could and would testify to the facts set forth herein.

4. I was involved in helping Delphi to negotiate the Recycled Battery Sales Agreement (the "Agreement," a true and correct copy of which is attached hereto as Exhibit 1) with WorldWide, and I signed this Agreement on behalf of Delphi on March 16, 2004. At that time I signed the Agreement I was then the North American Battery Marketing Manager for Delphi Products & Service Solutions

5. The Agreement accurately and adequately reflects the entire agreement between Delphi and WorldWide.

6. I declare under penalty of perjury, pursuant to 28 U.S.C. § 1746, that the foregoing statements are true and correct.

Executed on January 17, 2007, in Troy, Michigan.

/s/ Al L. Brunner
Al L. Brunner

Exhibit 1

RECYCLED BATTERY SALES AGREEMENT

COPY

This Agreement is entered into as of the 16th day of March, 2004 by and between:

Delphi Corporation, a Delaware corporation
4800 South Saginaw Street
Flint, Michigan 413501-1360
("Delphi" or "Seller"), and:

Worldwide Battery Company, LLC
538 Meridian St.
Anderson, Indiana 46016
("Worldwide" or "Buyer")

The purpose of this Agreement is to set forth the terms and conditions under which Delphi agrees to sell, and Buyer agrees to buy, the opportunity to sort and obtain certain recyclable lead-acid batteries that Buyer intends to recondition and sell as reconditioned batteries. As part of its reconditioning work, Buyer agrees to obliterate any trade name and other information on the batteries to be reconditioned in order to alleviate the potential for consumer confusion, and to affix its own proper identification and other appropriate information, including, as necessary, Proposition 65 and similar warnings, for battery sales in California and other states as required.

1. Quantities, Title and Location(s)

- 1.1 Batteries hereunder are those lead-acid starting, lighting and ignition batteries, and occasionally other similar batteries, which have been returned to one of Delphi's Battery Distribution Centers ("BDC") located in the United States. [This Agreement does not include or cover what are referred to as "biems" or "blemished batteries."] Batteries from said Battery Distribution Center(s) identified in Exhibit 1, will be directed to Buyer's facility(ies), identified in Exhibit 2, in truckload quantities. Batteries to be directed to Buyer are influenced by many factors, including availability to Delphi and Buyer's ability to receive and process said quantities. The parties will communicate through their authorized representatives hereunder to establish periodic updated estimates of batteries available to Delphi, Buyer's needs, and delivery schedules. Delphi intends to provide 8 loads or more per week; however, market and business conditions can impact the number of loads available; therefore, no quantity is guaranteed by Delphi hereunder.
- 1.2 Buyer is solely responsible for handling and risk of loss associated with all batteries on its premises. Buyer has expertise surrounding such things as health and environmental considerations associated with handling of batteries, and agrees to take appropriate measures to assure employee health and environmental protection.
- 1.3 Batteries from Delphi's BDC listed in Exhibit 1 shall be shipped at Delphi's expense (rate shall not exceed established rates from the BDC to the designated smelter plus \$30 stop-off fee), via third party billing, to Buyer's facility identified in Exhibit 2. Additional expenses shall be invoiced to the Buyer and payment shall be as referenced in 2.2. Buyer may retain such batteries as it determines are reconditionable, replacing the battery weight retained with similar recyclable lead-acid batteries. Buyer will process batteries in a timely manner. The equivalent

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truckload will be shipped at Seller's expense, to a smelter as identified in Exhibit 3. Any deviations to this provision are specified in Exhibit 4.

- 1.4 Shipment documents for said batteries (ref 1.3) shall contain a listing and approximate count and weight of the batteries shipped. Shipment weight shall be accurately determined through a certified scale weight, or other agreed method. This certified weight shall be accepted as the weight shipped from the BDC to Buyer.
- 1.5 Batteries loaded onto the truck will be loaded consistent with specifications applicable to loading of such materials.
- 1.6 Title and risk of loss for all batteries loaded onto any truck hereunder for transport from Delphi on behalf of Delphi shall remain with Delphi (or its designee) until such time as when the batteries arrive at Buyer's facility. Buyer shall assume risk of loss, but not title, when the batteries arrive at Buyer's facility. Risk of loss for all batteries shipped from Buyer's premises to Delphi's designated smelter or other facility, shall remain the Buyer's (or its designee or Delphi's designee) until such time as when the batteries arrive at Delphi's designated destination. At all times, Delphi will retain title to the batteries shipped except for those batteries recovered and exchanged by Seller for in kind, non-rechargeable scrap batteries.
- 1.7 Delphi and Buyer agree that the shipment weight as received by Delphi's smelter identified in Exhibit 3 shall be accepted by Delphi and Buyer as the basis for determining battery weight returned to Delphi.
- 1.8 If Buyer is in default or imminent default; if the contract terminates or if Delphi reasonably believes it necessary to limit risk for human health, safety or the environment, Delphi shall have the right to enter Buyer's facility and repossess Delphi's batteries.

2. Prices: Payment Terms; Records

- 2.1 The Buyer shall continue to compensate Delphi in the amount of \$0.0194/pound (i.e., \$873.00 for a full 45,000 pound truckload) as noted in Exhibit 5 for the remainder of calendar year 2004. The price per pound shall thereafter be established as follows: (a) Not later than November 15th in 2004 and in each subsequent year thereafter that this Agreement shall be in effect, the parties shall convene a meeting or meeting(s), either in person or by conference call, to consider and establish the price per pound for the following year based on the then-current market conditions. The parties thereafter shall continue their negotiations to the extent necessary in order to reach final agreement on and set the price per pound for the following calendar year on or before December 1st of the current calendar year; (b) In the event that the parties are not able to reach agreement on the price per pound for the following year pursuant to the terms of Section 2.1(a), supra, on or before December 1st of any given year, then in such event, the price per pound for the following calendar year shall be set based on an objective determination of the then prevailing market rate. Specifically, Seller

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shall solicit bona fide quotes from third parties in the form of written price per pound bids based on the identical terms and conditions as are contained within this Agreement. The price per pound shall thereafter be established by averaging the price per pound bids obtained by Seller in all such bona fide quotes received by Seller; provided, however, that in no event shall any adjustment in price per pound pursuant to this Section 2.1(b) exceed a ten percent (10%) deviation from the then effective price per pound. Upon closing of the receipt of quotes by Seller, Buyer shall be provided with complete copies of all such bona fide quotes received by Seller.

- 2.2 On a monthly basis, or more frequently as agreed, Buyer will provide to Delphi a summary in form and detail outlined in Exhibit 6 which identifies the weight of batteries received by the Buyer during the period and the weight of batteries returned to Delphi's designated destination. The balance of battery weight due from Buyer to Delphi on the reporting date shall also be stated. Said summary shall be submitted by mail or email to the Delphi representative listed in Exhibit 7.
- 2.3 A copy of the summary in form (ref. 2.2) shall be mailed by Buyer to the Delphi representative listed in Exhibit 7.
- 2.4 Buyer will maintain adequate records consistent with generally accepted accounting principles, pertaining to its performance under this Agreement, including a daily log of recycled battery shipments received and dispatched listing at a minimum, the date, origin, destination, bill of lading number, certified weight, seal number and trucking company. Buyer will provide Delphi, upon reasonable request and during normal business hours, access to all relevant records for purpose of auditing battery receipts and reprocessing. Buyer will preserve its records for at least two years.

3. Reprocessing Operations; No Delphi Warranty

- 3.1 Buyer is solely responsible for its reprocessing operations. In those operations, it shall obliterate any trade name and other information on the batteries to be reconditioned in order to alleviate the potential for consumer confusion, and affix its own proper identification and other appropriate information to reprocessed batteries, including, as necessary, Proposition 65 and similar warnings, for battery sales in California and other states as required.
- 3.2 The batteries exchanged hereunder are generally considered to be scrap. They are exchanged AS IS, AND WITH ALL FAULTS AND WITHOUT WARRANTIES OF ANY KIND (EXCEPT TITLE), EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTY OR MERCHANTABILITY OR FITNESS FOR PURPOSE, AND DELPHI HEREBY DISCLAIMS AND BUYER HEREBY WAIVES ANY OBLIGATION, LIABILITY, RIGHT, CLAIM, OR DEMAND IN CONTRACT, TORT (INCLUDING NEGLIGENCE), STRICT LIABILITY, PATENT INFRINGEMENT, OR OTHERWISE WITH RESPECT THERETO. Without limiting the generality of the foregoing, Buyer acknowledges and agrees that (a) Delphi neither represents nor warrants that the batteries will operate satisfactorily or that any such batteries comply with any applicable federal, state, or local laws, regulations or ordinances or industry standards, (b)

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Buyer accepts the entire risk and responsibility of taking any necessary action to make the batteries comply with any applicable federal state, or local laws, regulations or ordinances or industry standards, and (c) Delphi shall have no liability or responsibility for the condition, operation and/or yield of the batteries after transfer to Buyer, its agents' representatives, and/or contractors.

4. Term; Termination

- 4.1 Unless earlier terminated, this Agreement shall remain in force through June 30, 2008 with the option to negotiate an additional two year contract.
- 4.2 In the event of significant default hereunder by one party, the other may provide written notice thereof following which this Agreement may be terminate immediately provided such default is not corrected within thirty business days. Failure of either party to provide notice of a default, whether or not significant, shall not constitute waiver of rights hereunder. A significant default shall include, but not be limited to, failure of Buyer to accept and purchase truckloads offered to Buyer, failure of Buyer to remain current in payments, insolvency of Buyer, filing of Bankruptcy petition by Buyer, indictment or conviction of Buyer or its principal officers of a felony criminal offense or any criminal offense involving theft, fraud or dishonesty or of a criminal environmental offense
- 4.3 Delphi shall have the right to terminate this Agreement should Worldwide or its division Eagle Battery, Inc., unreasonably and without good cause refuse to accept and purchase truck loads of recycled batteries offered to them coming from the Delphi Battery Distribution Centers located in Bolingbrook, Illinois and Plainfield, Indiana. Good cause to refuse to accept delivery shall not be deemed to be mere financial convenience or inconvenience for the Buyer. The Buyer recognizes and acknowledges that as Delphi is willing to provide all available loads from the Bolingbrook and Plainfield Battery Distribution Centers that are routed to the RSR smelter in Indianapolis, that Delphi is at risk of lost of revenue should Buyer fail to accept and purchase the offered loads available to Buyer. As part of the exclusive arrangement called for in this Agreement on behalf of Buyer in regard to truck loads of recycled batteries, Buyer agrees to accept all truck loads from Bolingbrook and Plainfield Battery Distribution Centers.
- 4.4 In the event Buyer can show that this Agreement has become a significant hardship to its business, Buyer may terminate this Agreement by providing written notice to Seller not less than (90) days in advance.
- 4.5 In the event that Delphi can show that this Agreement has become a significant hardship to its business, Delphi may terminate this Agreement by providing written notice to Buyer not less than (90) days in advance. A significant hardship for Delphi shall be deemed to include, but not be limited to: the closure or unavailability of the RSR smelter in the Indianapolis area thus necessitating use of another smelter that is not geographically aligned with the present transportation route; business, economic, environmental or potential legal liability circumstances cause Delphi to utilize a different smelter location that is not geographically aligned with Worldwide's location in Anderson, Indiana; the closure of either or both of the Battery Distribution Centers (that is the Bolingbrook or Plainfield Centers); Delphi loses the Wal-Mart as a customer or

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other significant customer that materially affects or will materially affect the volume of recycled batteries or their quality; and, Delphi decides to sell or close its battery manufacturing operations or Delphi otherwise ceases to be involved in battery manufacturing.

- 4.6 In the event the Buyer refuses delivery of any batteries, Delphi shall have the option to transfer the shipment. The Buyer shall communicate delivery schedules every Wednesday by 4:30 p.m. (Indianapolis time) of subsequent week deliveries. Maximum quantity desired, company name, address, contact name, and telephone number must be included.

5. Buyers Compliance with Laws; Indemnification

- 5.1 Buyer, its employees, agents, representatives, and contractors, shall comply with all applicable federal, state, and local laws, regulations and ordinances. Buyer acknowledges that its battery reprocessing operations involve work with materials which are considered hazardous, and agrees to defend, indemnify and hold Delphi and its officers, directors, and employees harmless from any and all claims made against them arising out of transport or disposal of batteries delivered by Delphi hereunder, or Buyer's failure to comply with federal, state or local laws, regulations or ordinances applicable to hazardous waste.
- 5.2 Buyer agrees to defend, indemnify and hold Delphi and its officers, directors, and employees harmless from any and all claims made against them arising from the reconditioning, sale, or re-use of the batteries.

6. Insurance

- 6.1 During the term of this Agreement, Buyer shall obtain and maintain at least the insurance as specified in Exhibit 8, and furnish certificate(s) of insurance therefore to Delphi.
- 6.2 All contracts of insurance shall provide 30 days prior written notice of cancellation, non-renewal and/or modification to Delphi as an "additional insured." All contracts of insurance shall be underwritten by an insurance company acceptable to Delphi.

7. General Terms

- 7.1 Waiver of Terms and Conditions: No waiver by either party of any breach of any of the terms or conditions herein contained to be performed by the other party shall be construed as a waiver of any subsequent breach, whether of the same or of any other term or condition hereof.
- 7.2 Arm's Length Agreement: The relationship of the parties hereunder is that of individual contracting parties and neither Delphi nor Buyer, nor any of their directors, officers, agents, servants or employees, is or shall be or become the agent or employee of the other party for any purpose in connection with the performance hereof.

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- 7.3 Choice of Law: This Agreement and the execution thereof shall be governed by the laws of the State of Michigan, and the substantive laws (but not the law of conflict of laws) of such state shall govern the validity, construction, enforcement, performance and interpretation of this Agreement.
- 7.4 Severability: If any provision of this Agreement shall be invalid, illegal or unenforceable under any law applicable thereto, such provision shall be deemed deleted from this Agreement without impairing or prejudicing the validity, legality and enforceability of the remaining provisions hereof.
- 7.5 Any delay or failure of either party to perform its obligations hereunder shall be excused if, and to the extent that it is caused by an event or occurrence beyond the reasonable control of the party and without its fault or negligence, such a by way of example and not by way of limitation, acts of God, actions by any governmental authority (whether valid or invalid), fires, floods, windstorms, explosions, riots, natural disasters, wars, sabotage, labor problems (including lockouts, strikes and slowdowns), inability to obtain fuel, power, material, labor, equipment or transportation, or court injunction or order; provided that written notice of such delay (including the anticipated duration of the delay) shall be given by the affected party to the other party within 10 days.
- 7.6 Any notice which either party may be required or desires to give to the other party hereunder shall be deemed to be fully given when delivered in person or sent via fax and first class mail, postage prepaid, to the other party at the addresses listed in Exhibit 7, or at any other address subsequently designated by such party in written.
- 7.7 Entire Agreement: This Agreement contains all of the representations and agreements of and between the parties hereto with respect to the subject matter hereof and shall not be amended or modified except by a written instrument duly executed by both parties. This Agreement replaces and supercedes the original Recycled Battery Sales Agreement dated January 24, 2003, by and between Delphi and Eagle Battery, Inc.; which original Agreement shall be of no further force or effect upon execution of this Agreement.
- 7.8 Assignment: This assignment shall be binding upon and continue to the benefit of the parties hereto and their respective successors and assigns. Any assignment of the Agreement or any of the rights or obligations of either party hereunder to any other person, firm or corporation whatsoever, whether by merger or operation of law or otherwise, without the prior written consent of the other, shall be void.
- 7.9 No Third Party Beneficiary Intended: This contract is not intended to convey third party beneficiary rights.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

Buyer: Worldwide Battery Company, LLC

Seller: Delphi Corporation

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By: Dave Petrucci
Printed Name: Dave Petrucci
Title: Pres.

By: Alfred L Brunner
Printed Name: ALFRED L. BRUNNER
Title: NORTH AMERICA
BATTERY MARKETING
MANAGER

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RECYCLED BATTERY SALES AGREEMENT

EXHIBIT 1 — Delphi Battery Distribution Centers

Delphi Battery Distribution Center(s) ("BDC(s)") from which batteries will be shipped, as referenced in 1.1.

Worldwide shall have exclusive rights(s) and opportunity(ies) to sort, obtain, and/or buy the recyclable lead-acid batteries that are the subject of this Agreement from Delphi's BDC's located in:

Bolingbrook, Illinois
Plainfield, Indiana

Worldwide also shall have the non-exclusive right(s) and opportunity(ies) to sort, obtain, and/or buy lead-acid batteries that are the subject of this Agreement, and the right to bid to make such rights exclusive, with respect to the following Delphi BDC:

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EXHIBIT 2— Buyer's Facilities

Buyer's facilities to which Delphi shall send batteries, referenced in 1.1.

Company Name	Worldwide Battery Company, LLC	
Contact Name 1	Randy Batt	
Contact Name 2	John Carter	
Address Line 1	538 Meridian Street	
Address Line 2		
City	Anderson	
State	Indiana	
Zip Code	46016	
Phone Number	765-643-4001	
Fax Number	765-643-5001	
Cell Phone		
E-mail		

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EXHIBIT 3— Delphi's Designated Smelter

Delphi's designated smelter or other facility to which Buyer shall return batteries, as referenced in 1.3.

RSR — Quemetco, Inc.
7870 W. Morris St.
Indianapolis, IN 46241

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RECYCLED BATTERY SALES AGREEMENT

EXHIBIT 4— Deviations to 1.3

As referenced in 1.3, the following deviations apply.

Batteries transported from remote domicile locations to Buyer's facilities in Exhibit 2 shall be at Buyer's expense. Batteries transported from Buyer's facilities in Exhibit 2 to the smelter listed in Exhibit 3 shall be at Delphi's expense, via third party billing.

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RECYCLED BATTERY SALES AGREEMENT

EXHIBIT 5— Buyer Compensation to Delphi

As referenced in 2.1, Buyer will compensate Delphi per truckload of junk shipped as is for all shipments received.

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EXHIBIT 6

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EXHIBIT 7— Addresses for Notice

As referenced in 2.2, 2.3, and 7.6, addresses for notice are below.

	Delphi	Buyer
Company Name	Delphi Corporation	Worldwide Battery Company, LLC
Contact Name 1	James Crawford	Neil Schneider
Contact Name 2		
Address Line 1	Mail Code 39-1008	538 Meridian Street
Address Line 2	8750 Hague Road P.O. Box 502850	
City	Indianapolis	Anderson
State	IN	IN
Zip Code	46250	46016
Phone Number	317-579-3401	765-643-4001
Fax Number	317-579-3411	765-643-5001
Cell Phone		
E-mail		neil@worldwidebattery.com

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EXHIBIT 8— Insurance Requirements

As referenced in 6.1, the following insurance shall be obtained and maintained by Buyer for the term of this Agreement.

<u>Coverage</u>	<u>Limits</u>
Comprehensive General Liability Including E Form Contractual Liability coverage	\$2,000,000 per occurrence combined single limit for Personal Injury and Property Damage
Automobile Liability covering all Owned, hired and non-owned vehicles	\$1,000,000 per occurrence combined single limit for Personal Injury and Property Damage
Worker's Compensation	Statutory for all states of operation
Employers Liability	\$250,000 each accident disease policy limit/\$250,000 disease each employee

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